

Message Text

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E.O. 11652: GDS
TAGS: ENRG, TECH, MNUC
SUBJECT: US-AUSTRIAN NUCLEAR DISCUSSIONS

1. SUMMARY: US NEGOTIATING TEAM MET WITH AUSTRIAN DELEGATION (HEADED BY HERNDL) JULY 24-26. DISCUSSIONS FOCUSED ON QUESTIONS RELATING TO THE STORAGE AND DISPOSITION OF ZWENTENDORF SPENT FUEL AND US-AUSTRIA PEACEFUL NUCLEAR COOPERATION AGREEMENT. TEAM PROVIDED AUSTRIAN DELEGATION WITH MODEL US-AUSTRIA AGREEMENT WITH ACCOMPANYING NOTE CONTAINING FORMULA FOR CLOSING THE BACK END FOR ZWENTENDORF FUEL ALONG LINES OF "FORMULATION" IN NOTE WITH IRAN. (AS IN APRIL, THIS IS KEY CONCERN IN VIEW OF AUSTRIAN NEED TO HAVE DEFINITE BACK END SOLUTION BEFORE STARTING UP ZWENTENDORF.) WHILE CLARIFICATION OF US POSITION APPRECIATED, AUSTRIANS BELIEVE THEY MAY NEED EXEMPTION FROM US POLICY AND EXPECT TO PROVIDE AN INFORMAL DRAFT PROPOSAL IN THE NEAR FUTURE. THEY VIEW TIME FRAME FOR RESOLUTION OF MATTER WITH US BY END OF THIS YEAR BUT AFTER NOVEMBER 5 REFERENDUM ON NUCLEAR POWER USE. END SUMMARY.

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2. AUSTRIAN DELEGATION INCLUDED MFA (HERNDL AND WINKLER) TRADE AND INDUSTRY MINISTRY (OBERMAIR AND KELLNER) AND FEDERAL CHANCELLERY (SCHMIDT AND OKRESEK). ZWENTENDORF UTILITY (GKT) JOINED DISCUSSIONS ON MONDAY AND WEDNESDAY.

3. FIRST DAY DISCUSSIONS CONCENTRATED ON SPENT FUEL

DISPOSITION MATTERS AND AUSTRIAN NEED TO HAVE IN HAND A BINDING ARRANGEMENT FOR DISPOSING OF ZWENTENDORF SPENT FUEL OUTSIDE OF AUSTRIA BEFORE THE REACTOR (WHICH IS READY FOR START UP) BEGINS OPERATION. AUSTRIANS REPEATED PREFERENCE TO STORE SPENT FUEL IN US BUT RECOGNIZED THAT THIS MAY OR MAY NOT BE POSSIBLE. (US TEAM GAVE RUNDOWN OF STATUS OF INTERNAL STUDIES INDICATING THAT DECISION ON IMPLEMENTATION OF POLICY COULD NOT BE EXPECTED ANY SOONER THAN EARLY 1979.) US TEAM SOUGHT AUSTRIAN REACTION TO SUGGESTIONS ADVANCED BY US IN APRIL DISCUSSIONS, REGARDING PRINCIPLES TO GUIDE THE IMPLEMENTATION OF AN AMENDED NUCLEAR COOPERATION AGREEMENT. US TEAM MADE IT CLEAR THAT WE ARE CONSIDERING SPELLING OUT HOW WE WOULD EXERCISE CERTAIN RIGHTS IN THE CONTEXT OF A RENEGOTIATED COOPERATION AGREEMENT TO MEET REQUIREMENTS OF THE LAW. AUSTRIAN DELEGATION'S PRIMARY CONCERNS WERE THAT (A) APRIL PAPER LEFT THEM UNCLEAR AS TO HOW AND WHEN PARTIES WOULD ARRIVE AT THE APPROVAL OF REPROCESSING AT COGEMA UNDER THEIR EXISTING CONTRACT IN THE EVENT OTHER ALTERNATIVES NOT AVAILABLE; AND (B) SUBSTANTIAL COSTS WOULD BE SUNK IN COGEMA OPTION BY THE TIME ANY OTHER OPTION BECAME AVAILABLE UNLESS US AGREED BEFORE THE END OF THE YEAR TO TAKE BACK FUEL IN THE 1980'S. US TEAM CLARIFIED MATTER, DRAWING ON FORMULATION OF ALTERNATIVES IN IRAN NOTE AND UNDERTOOK TO PROVIDE REVISED SET OF PRINCIPLES BY WEDNESDAY.

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(SEE PERTINENT PORTIONS IN DRAFT NOTE AT PARA 9.)

4. SECOND DAY DISCUSSIONS FOCUSED ON PROPOSED US-AUSTRIA NUCLEAR COOPERATION AGREEMENT AND PROPOSED ACCOMPANYING NOTE AS DISCUSSED IN MEETING OF INTERESTED AGENCIES BEFORE DEPARTURE. AUSTRIAN DELEGATION FOCUSED ON CLARIFICATION OF US CONTROLS (STORAGE, RETRANSFERS, REPROCESSING, AND PHYSICAL SECURITY) AND THEIR VIEW THAT CRITERIA FOR HOW FIRST THREE WOULD BE EXERCISED SHOULD BE SPELLED OUT. FOR EXAMPLE, IF STORAGE APPROVAL RIGHTS DEPENDENT ON ADEQUATE PHYSICAL SECURITY THEN SHOULD THAT NOT BE STATED CLEARLY RATHER THAN LEAVING IMPRESSION THAT US HAS UNLIMITED RIGHTS WITH RESPECT TO APPROVING ANOTHER COUNTRY'S FACILITY. ALSO, AUSTRIAN DELEGATION QUESTIONED (FROM A TECHNICAL AND LEGAL POINT OF VIEW) HOW THEY WOULD AGREE TO FOLLOW INFCIRC/225 REVISION 1 "AS IT MAY BE UPDATED" SINCE THIS COMMITTED BOTH PARTIES TO ACCEPT INFCIRC/225 CHANGES WHICH MAY BE MADE IN THE FUTURE. FROM AUSTRIAN POINT OF VIEW AGREEMENT TO THIS TYPE OF OPEN-ENDED COMMITMENT IN COOPERATION AGREEMENT WOULD REQUIRE MORE EXACTING GOVERNMENTAL APPROVAL PROCESS.

5. ON THIRD DAY, US TEAM PROVIDED DRAFT NOTE COVERING SPENT FUEL DISPOSITION (AS CONTAINED IN NOTE PARA 9) ON CLEAR UNDERSTANDING THAT IT WAS AN INFORMAL, AD REFERENDUM DRAFT DESIGNED TO MEET AUSTRIAN NEEDS IN A MANNER CONSISTENT WITH US LAW AND POLICY AND, INDEED, MUTUAL NON-PROLIFERATION INTERESTS. AUSTRIAN DELEGATION APPRECIATED CLARIFICATION OF US POSITION BUT, ESPECIALLY GKT, APPEARED UNCONVINCED THAT THE APPROACH WOULD MEET THEIR NEEDS ON RESOLVING ZWENTENDORF SPENT FUEL ISSUE. (IT WAS CLEAR THAT A SUBSTANTIAL CONSIDERATION IS

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CONCERN, PARTICULARLY OF GKT, THAT LARGE PAYMENTS BEYOND PAYMENTS ALREADY MADE WILL BE INCURRED IN 1979 TO KEEP COGEMA OPTION OPEN.) AUSTRIANS EXPRESSED VIEW THAT EARLY US APPROVAL OF REPROCESSING AT COGEMA FOR A FIXED PERIOD OR OF STORAGE IN US IS THEIR PREFERRED POSITION. THEY APPEARED TO ENVISAGE A FIVE-TO-TEN YEAR APPROVAL FOR COGEMA CONTRACT NOW WITH ALTERNATIVES TO BE SELECTED LATER. US TEAM DISCOURAGED THIS IDEA, NOTING THAT THIS WOULD CONSTITUTE A SUBSTANTIAL EXCEPTION TO US POLICY ON DEFERRING REPROCESSING AND THAT, IF AUSTRIA WISHED TO RESOLVE ISSUE, IT SHOULD FOCUS ON US DRAFT WITH VIEW TO HAVING THEIR IDEAS FIT AS CLOSELY AS POSSIBLE TO IT. AUSTRIANS PLAN TO PROVIDE INFORMAL DRAFT PROPOSAL IN THE NEAR FUTURE AND WISHED TO RESOLVE MATTER BY END OF 1978 BUT APPARENTLY AFTER NOVEMBER 5 REFERENDUM. AUSTRIANS HINTED THAT RESOLUTION OF THIS ISSUE WAS LINKED AND KEYED TO CONCLUDING A RENEGOTIATED

AGREEMENT.

6. IN FIRST MEETING AND SIDE CONVERSATIONS, AUSTRIANS BROACHED SUBJECT OF SPENT FUEL AND/OR WASTE DISPOSAL IN EGYPT OR IRAN. IDEAS WERE PURSUED IN MORE DETAIL AT CONFIDENTIAL

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FINAL MEETING, WITH AUSTRIANS TAKING SOUNDINGS ON APPROACHES SUCH AS INTERNATIONALLY OR MULTINATIONALLY MANAGED SPENT FUEL DEPOSITORY WITH IAEA. US DISCOURAGED IDEA OF PURSUING MATTER FORMALLY AT THIS TIME IN VERY STRONG TERMS.

7. ALSO IN SIDE CONVERSATION AND THEN IN FINAL MEETING SCHMIDT AND HERNDL CAME BACK TO AUSTRIAN VIEW THAT US APPROVAL NOT REQUIRED FOR RETRANSFER OF VITRIFIED HIGH LEVEL WASTE IF SAFEGUARDS WERE TERMINATED UNDER IAEA ON GROUNDS THAT SNM PRACTICALLY IRRECOVERABLE AND OF NO STRATEGIC OR SAFEGUARDS SIGNIFICANCE. US TEAM CLARIFIED US POSITION ON WHY APPROVAL COVERED IN EXISTING AGREEMENT, NOTING THAT THIS SHOULD NOT BECOME AN ISSUE. AUSTRIAN DELEGATION SEEMED NOT TO WANT TO MAKE AN ISSUE OF THIS, BUT PREFERRED TO CONSIDER MATTER AT LATER DATE. THIS APPEARS IMPORTANT TO AUSTRIANS SINCE US APPROVAL OVER DISPOSITION OF WASTE IS VIEWED AS ONE MORE UNCERTAINTY IN CLOSING ZWENTENDORF FUEL CYCLE.

8. COMMENT. MEETINGS HELPED CLARIFY ISSUES AND PROBLEMS ON BOTH SIDES. IT IS NOT CLEAR EXACTLY WHEN AUSTRIA PLANS TO PROVIDE DRAFT INFORMAL PROPOSAL TO US. WE EXPECT THAT THEY WILL WISH FURTHER DISCUSSIONS OFF AND ON AND, ASSUMING REFERENDUM IS FAVORABLE IN NOVEMBER, WILL PRESS FOR A US DECISION OR EXCEPTION TO POLICY BEFORE THE END OF 1978. SOUNDINGS ON EGYPT AND IRAN STORAGE, PRESUMABLY AS ALTERNATIVE AFTER US STORAGE OR COGEMA REPROCESSING, SOMEWHAT SURPRISINGLY DETAILED. ISSUE OF US RETRANSFER RIGHTS FOR WASTE WILL NO DOUBT NEED TO BE READDRESSSED. END COMMENT.

9. TEXT OF DRAFT NOTE TO ACCOMPANY AGREEMENT PROVIDED TO AUSTRIAN DELEGATION FOLLOWS:

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QUOTE. THE AMBASSADOR OF THE UNITED STATES OF AMERICA PRESENTS HIS COMPLIMENTS TO (BLANK) OF THE GOVERNMENT OF AUSTRIA, AND HAS THE HONOR TO REFER TO THE PROPOSED AGREEMENT FOR COOPERATION SIGNED TODAY BETWEEN THE

GOVERNMENT OF THE UNITED STATES AND THE GOVERNMENT OF AUSTRIA, CONCERNING PEACEFUL USES OF NUCLEAR ENERGY ("AGREEMENT") OF WHICH THIS EXCHANGE OF NOTES SHALL BE AN INTEGRAL PART.

IN THE COURSE OF NEGOTIATIONS LEADING TO THIS AGREEMENT UNDERSTANDINGS ON SEVERAL POINTS WERE REACHED.

THE UNITED STATES FULLY UNDERSTANDS THAT AUSTRIA'S NUCLEAR POWER PROGRAM WILL REQUIRE TIMELY DELIVERY OF NUCLEAR EQUIPMENT AND AN ASSURED FUEL SUPPLY. IT IS THE POLICY OF THE UNITED STATES THAT NUCLEAR EXPORT LICENSES BE ISSUED PROMPTLY. IN PARTICULAR, THE UNITED STATES WISHES TO CONFIRM THE READINESS OF ITS EXECUTIVE BRANCH AND NUCLEAR REGULATORY COMMISSION TO PROCESS EXPEDITIOUSLY EXPORT LICENSE APPLICATIONS MADE PURSUANT TO THE AGREEMENT.

THE GOVERNMENT OF THE UNITED STATES WISHES TO ASSURE THE GOVERNMENT OF AUSTRIA THAT IT SHALL TAKE SUCH ACTIONS AS MAY BE NECESSARY AND FEASIBLE TO ENSURE A RELIABLE SUPPLY OF LOW ENRICHED URANIUM TO THOSE NATIONS AND GROUPS OF NATIONS WHICH MAY SEEK TO UTILIZE THE BENEFITS OF NUCLEAR ENERGY FOR PEACEFUL PURPOSES, INCLUDING THE GENERATION OF ELECTRICITY, AND WHICH ADHERE TO NON-PROLIFERATION OBJECTIVES. IN THIS REGARD, THE UNITED STATES NOTES THAT THE INCREASED UNITED STATES ENRICHMENT CAPACITY WHICH THE PRESIDENT HAS ORDERED TO BE DEVELOPED WILL PERMIT THE UNITED STATES TO MEET EXPORT DEMANDS. ALSO

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THE UNITED STATES SHALL, INTER ALIA, EXPLORE WITH OTHER CONCERNED GOVERNMENTS, INCLUDING THE GOVERNMENT OF AUSTRIA, THOSE STEPS THAT MAY BE NECESSARY TO PROMOTE INTERNATIONAL ARRANGEMENTS FOR THE PROVISION OF NUCLEAR FUEL, INCLUDING THE CONCEPT OF AN INTERNATIONAL FUEL AUTHORITY WHICH WOULD PERMIT ACCESS TO FUEL BY CONSUMERS WHO MEET ALL THEIR NON-PROLIFERATION COMMITMENTS, SHOULD THEY ENCOUNTER DIFFICULTIES WITH INDIVIDUAL SUPPLIERS IN SATISFYING LEGITIMATE NUCLEAR FUEL NEEDS. SHOULD SUCH INTERNATIONAL ARRANGEMENTS BE ESTABLISHED, THE UNITED STATES SHALL ENDEAVOR TO ASSURE THAT AUSTRIA DERIVES THE FULL BENEFIT PURSUANT TO THE TERMS THEREOF.

THE UNITED STATES ALSO NOTES WITH PLEASURE AUSTRIA'S DESIRE TO EXERCISE LEADERSHIP IN FURTHERANCE OF THE OBJECTIVES OF THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS ("NPT"), TO WHICH AUSTRIA IS A PARTY, AND ITS INTENTION TO CONDUCT ITS OVERALL FUEL CYCLE ACTIVITIES, PARTICULARLY THOSE RELATING TO STORAGE, PROCESSING OR OTHER DISPOSITION OF IRRADIATED SPENT FUEL UNDER CONDITIONS WHICH DEMONSTRATE THAT SUCH ACTIVITIES ARE IN ACCORDANCE WITH THE NPT. IN THIS REGARD, THE UNITED CONFIDENTIAL

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STATES IS PLEASED THAT AUSTRIA, AS IT HAS DEMONSTRATED BY THE LEADING ROLE IT HAS ASSUMED IN THE INTERNATIONAL NUCLEAR FUEL CYCLE EVALUATION, IS WILLING TO PARTICIPATE WITH OTHER CONCERNED COUNTRIES IN INTERNATIONAL FUEL CYCLE STUDIES WHICH HAVE AS ONE OF THEIR OBJECTIVES THE EXPLORATION OF EFFECTIVE AND ECONOMICAL WAYS TO MANAGE THE BACK END OF THE FUEL CYCLE THAT MIGHT BETTER MEET THE NON-PROLIFERATION OBJECTIVES OF THE NPT.

THE UNITED STATES NOTES THAT AUSTRIA PLANS TO EXPAND ITS SPENT FUEL STORAGE CAPACITY AT THE ZWENTENDORF NUCLEAR POWER PLANT AND TO STORE IRRADIATED FUEL COVERED BY THIS AGREEMENT FOR AN APPROPRIATE COOLING PERIOD, OF AT LEAST FIVE YEARS, PRIOR TO SUBSEQUENT DISPOSITION. THE UNITED STATES NOTES FURTHER THAT AUSTRIA PLANS TO CONSULT CLOSELY WITH THE UNITED STATES AT SUCH TIME AS IT APPEARS THAT ANY SUCH MATERIAL REQUIRES SUBSEQUENT DISPOSITION. IN THIS CONNECTION THE UNITED STATES AND AUSTRIA SHALL REVIEW THE SITUATION WITH A VIEW TO DETERMINING WHAT ALTERNATIVES ARE THEN OPEN TO AUSTRIA.

THE UNITED STATES UNDERSTANDS THAT THE PARTIES WILL EXERCISE THEIR RIGHTS RELATED TO THE DISPOSITION OF THE ZWENTENDORF SPENT FUEL IN A MANNER THAT SUPPORTS THE AUSTRIAN NUCLEAR POWER PROGRAM AND MUTUAL NON-

PROLIFERATION INTERESTS, INCLUDING MUTUALLY ACCEPTABLE RECOMMENDATIONS THAT MAY RESULT FROM INTERNATIONAL STUDIES UNDERTAKEN TO FURTHER THE OBJECTIVES OF THE NPT.

THE GOVERNMENT OF THE UNITED STATES NOTES THE FOLLOWING ALTERNATIVES WITH RESPECT TO LONG-TERM DISPOSITION OF SPENT FUEL:

-- A) STORAGE OF SPENT FUEL IN AUSTRIA;

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-- B) STORAGE OF SPENT FUEL IN THE UNITED STATES FOR A FIXED FEE WITH REIMBURSEMENT TO AUSTRIA OF NET FUEL VALUE IF SUCH FUEL VALUE IS EXTRACTED (FUEL EQUIVALENT OR FINANCIAL COMPENSATION LESS PROCESSING COSTS);

-- C) STORAGE, PROCESSING OR OTHER DISPOSITION OF SPENT FUEL IN ACCORDANCE WITH INTERNATIONALLY ACCEPTED ARRANGEMENTS TO WHICH BOTH AUSTRIA AND THE UNITED STATES SUBSCRIBE. (THIS ALTERNATIVE WOULD INCLUDE AN ARRANGEMENT TO WHICH BOTH AUSTRIA AND THE UNITED STATES SUBSCRIBE FOR LONG-TERM STORAGE OF SPENT FUEL IN A THIRD COUNTRY OR THE PROCESSING OF SPENT FUEL IN THE UNITED KINGDOM, FRANCE, OR OTHER MUTUALLY AGREED STATE UNDER ARRANGEMENTS WHICH ARE DEEMED TO BE MORE PROLIFERATION RESISTANT THAN THOSE WHICH CURRENTLY EXIST AND TO WHICH BOTH AUSTRIA AND THE UNITED STATES SUBSCRIBE. SUCH ARRANGEMENTS IN THE LATTER CASE COULD INCLUDE MULTINATIONAL INSTITUTIONAL ARRANGEMENTS AS WELL AS TECHNOLOGICAL ARRANGEMENTS WHICH AVOID THE SEPARATION OF WEAPON-USABLE MATERIAL.)

WITH RESPECT TO THE FOREGOING ALTERNATIVES AND THEIR RELATIONSHIP TO AUSTRIA'S NEED WITH RESPECT TO DISPOSITION OF SPENT FUEL, THE GOVERNMENT OF THE UNITED STATES RECOGNIZES THAT CONDITIONS, SUCH AS TECHNICAL, ECONOMIC OR POLITICAL, COULD BE SUCH THAT AUSTRIA FINDS IT IMPRACTICABLE TO PROVIDE STORAGE IN AUSTRIA. ALSO, CONDITIONS, SUCH AS TECHNICAL, ECONOMIC OR POLITICAL, COULD BE SUCH THAT THE UNITED STATES FINDS IT IMPRACTICABLE TO PROVIDE STORAGE OF SUCH SPENT FUEL IN THE UNITED STATES. MOREOVER, NO INTERNATIONALLY ACCEPTED ARRANGEMENTS FOR STORAGE, PROCESSING OR OTHER DISPOSITION TO WHICH BOTH AUSTRIA AND THE UNITED STATES SUBSCRIBE MAY

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BE AVAILABLE. UNDER THESE CIRCUMSTANCES, THE GOVERNMENT OF THE UNITED STATES WOULD APPROVE THE REPROCESSING OF SUCH MATERIAL IN THE UNITED KINGDOM, FRANCE, OR OTHER MUTUALLY AGREED STATE UTILIZING EXISTING TECHNOLOGY, WITH DISPOSITION OF ANY RESULTING SEPARATED PLUTONIUM SUBJECT TO FUTURE AGREEMENT OF THE UNITED STATES AND AUSTRIA.

THE PARTIES FURTHER AGREE TO REVIEW THESE ARRANGEMENTS, AT THE REQUEST OF EITHER PARTY WHENEVER A SPECIFIC ARRANGEMENT FOR SPENT FUEL DISPOSITION IS REQUIRED, AND TO SELECT A MORE PROLIFERATION-RESISTANT ALTERNATIVE AMONG THE THREE LISTED ABOVE WHENEVER NEW DEVELOPMENTS MAKE ANY SUCH ALTERNATIVE PRACTICABLE.

IN THE EVENT THAT AUSTRIA IS INTERESTED IN STORING WASTE DERIVED FROM REPROCESSED FUELS IN A THIRD COUNTRY HAVING AN APPROPRIATE AGREEMENT WITH THE UNITED STATES, THE UNITED STATES, IN PRINCIPLE, WOULD BE PREPARED TO APPROVE, WHENEVER SUCH APPROVAL IS REQUIRED, THE NECESSARY TRANSFER ARRANGEMENTS ON A TIMELY AND GENERIC BASIS. THIS WOULD BE PREDICATED ON THE ASSUMPTION THAT THE
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MATERIAL INVOLVED HAS NO STRATEGIC SIGNIFICANCE.

THE PARTIES MAY, BY MUTUAL AGREEMENT, MODIFY THE UNDERSTANDINGS SET FORTH ABOVE CONCERNING THE DISPOSITION OF SPENT FUEL.

WITH REFERENCE TO ANY MATERIAL USED IN OR PRODUCED THROUGH

THE USE OF MATERIAL, EQUIPMENT OR COMPONENTS TRANSFERRED BY THE UNITED STATES PURSUANT TO THE AGREEMENT, THE UNITED STATES WILL ACT ON A TIMELY BASIS ON REQUESTS FROM AUSTRIA TO TRANSFER SUCH MATERIAL TO THE JURISDICTION OF ANOTHER COUNTRY OR GROUP OF COUNTRIES PURSUANT TO THE TERMS OF THE AGREEMENT. THE UNITED STATES WILL PROMPTLY ADVISE AUSTRIA OF ITS AGREEMENT TO TRANSFER REQUESTS OR OF THE REASONS FOR ANY OTHER ACTION ON SUCH REQUEST.

THE UNITED STATES NOTES THAT AUSTRIA IS A PARTY TO A SAFEGUARDS AGREEMENT WITH THE INTERNATIONAL ATOMIC ENERGY AGENCY ("IAEA"). THE UNITED STATES AGREES THAT THE APPLICATION OF IAEA SAFEGUARDS UNDER SUCH AGREEMENT CURRENTLY SATISFIES THE NEED FOR THE EXERCISE OF RIGHTS ENVISAGED FOR THE UNITED STATES IN PARAGRAPHS 1, 2 AND 3 OF ARTICLE 9 OF THE AGREEMENT. THE PARTIES SHALL REVIEW THE ADEQUACY OF THE APPLICATION OF IAEA SAFEGUARDS WHENEVER EITHER PARTY IS OF THE VIEW THAT MODIFICATION MAY BE REQUIRED.

THE PARTIES AFFIRM THEIR INTENTION TO IMPLEMENT THE AGREEMENT AND THIS NOTE IN GOOD FAITH AND IN A SPIRIT OF CLOSE COOPERATION, IN ACCORDANCE WITH THEIR APPLICABLE TREATIES, NATIONAL LAWS, REGULATIONS AND LICENSE REQUIREMENTS.
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THE GOVERNMENT OF THE UNITED STATES CONFIRMS THAT NOTHING IN THE AGREEMENT WOULD PRECLUDE AUSTRIA FROM RECEIVING ANY POTENTIAL BENEFITS UNDER ARTICLES IV AND V OF THE NPT, OTHER APPLICABLE INTERNATIONAL AGREEMENTS AND UNITED STATES LAWS AND REGULATIONS.

UPON RECEIPT OF (BLANK) NOTE CONFIRMING THAT THE GOVERNMENT OF AUSTRIA SHARES THE ABOVE UNDERSTANDINGS, THIS EXCHANGE OF NOTES SHALL CONSTITUTE THE FORMAL RECORD OF THESE MUTUAL UNDERSTANDINGS AND SHALL BE AN INTEGRAL PART OF THE AGREEMENT. END QUOTE.

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